

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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|-------------------------|---|------------------|
| NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF |) | CASE NO. 6602-TT |
| EQUITABLE GAS COMPANY |) | |

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 30, 1990, the Commission issued its Order in Case No. 6602-QQ¹ authorizing Equitable Gas Company ("Equitable") to reduce its rates based on a decrease in rates from its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1990. On May 4, 1990, Equitable filed its excess revenues and proposed refund plans pursuant to the Commission's Order in Case No. 6602-QQ.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

¹ Case No. 6602-QQ, Notice of Purchased Gas Adjustment Filing of Equitable Gas Company, Order dated March 30, 1990.

(1) Equitable's notice of May 4, 1990 set out a refund factor designed to pass on excess revenues in the amount of \$13,432.

(2) Equitable proposed that the current refund surcharge of 8.97 cents per MCF be continued until such time as its total refund obligation is discharged. The Commission finds that this proposal will extend the refund period through the heavy usage winter months spreading the refund more directly to those customers impacted by the overcollection and, therefore, should be allowed.

(3) Equitable should refund the amount reported in its application, plus interest, at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(4) The refund factor should remain in effect until such time as the \$13,432 plus interest and all current refund obligations are discharged.

IT IS THEREFORE ORDERED that:

(1) Equitable shall continue to apply a refund factor of 8.97 cents per MCF as a reduction in its approved rates until such time as the amount of \$13,432 plus interest and all current refund obligations are discharged.

(2) Within 30 days of the date the refund factor is terminated, Equitable shall file with this Commission a summary

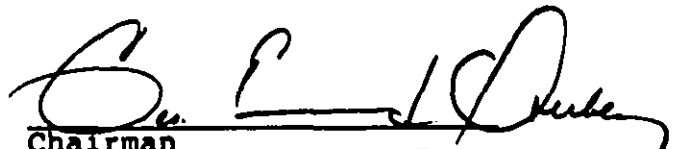
statement showing a reconciliation of customer billings and the amount refunded.

(3) The refund factor in the Appendix, attached hereto and incorporated herein, is fair, just, and reasonable and is approved effective with gas supplied on and after the date of this Order.

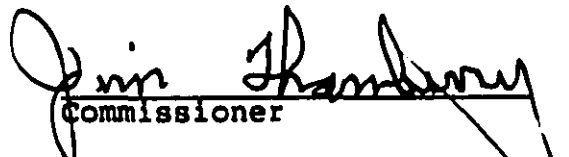
(4) Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the refund factor authorized herein. All other rates and charges shall remain in full force and effect.

Done at Frankfort, Kentucky, this 1st day of June, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 6602-TT DATED June 1, 1990.

The following rates and charges are prescribed for the customers served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

The following adjustment will be made to the retail service rates:

A refund of \$.0897 per Mcf shall be applied to the retail service rates until such time as all refund obligations are discharged pursuant to PSC Order Nos. 6602-NN and 6602-TT.